

## **Informal summary of initial budget briefings for Parties**

**held on 18 and 20 February 2019**

**Bonn, Germany**

### **I. Purpose of the briefings**

To present introductory information on the following topics:

- Key elements of the 2020-21 budget, highlighting main improvements and adjustments
- The format and structure of the 2020-21 budget, providing an outline of the budget document
- Next steps in the budget process
- The evolving role of the secretariat, taking into consideration its internal and external environment as well as the COP 24 outcomes and the secretariat's structure review
- The current situation: a brief overview of UNFCCC financial resource and expenditure key figures and trends

### **II. Organization and format of the briefings**

The secretariat held two half-day initial budget briefings as follows:

- On 18 February 2019 for the following groups: Group of 77 and China; the African Group; the Independent Association for Latin America and the Caribbean; Argentina-Brazil-Uruguay; the Bolivarian Alliance for the Peoples of Our America – Peoples' Trade Treaty; the Alliance of Small Island States; the Arab Group; Brazil, South Africa, India and China; the Coalition for Rainforest Nations; the least developed countries; and the Like-minded Developing Countries
- On 20 February 2019 for the European Union and its member States, the Environmental Integrity Group and the Umbrella Group
- The briefings were opened by the Executive Secretary (remarks can be accessed [here](#)).
- The Deputy Executive Secretary chaired the briefings and led the presentation (slides can be accessed [here](#)).
- Time was allocated for two Q&A segments – the issues raised are captured in this informal summary.

### **III. Participation**

See tables in the Annex

#### IV. Key points made in the presentation:

- **Budget was developed from the ground up**, on the basis of the expected deliverables by workstream and not using the 2018–19 budget as the starting point (→ presentation, slides 16–19).
- **Current very preliminary estimates** indicate funding requirements in 2020–21 for ongoing core and long-term mandates approximately 15% greater than in the approved core budget for 2018–19. This initial estimate is subject to refinement and adjustment (→ presentation, slide 21)
- A **zero nominal growth scenario** will be provided in addition to the growth scenario in the formal budget proposed by the Executive Secretary, as mandated by Parties.
- **Estimated total requirements**, including core and all other funding sources, for 2020-21 are currently approx. EUR 161 million (vs. approx. EUR 159 million in 2018–19) (→ presentation, slide 11)
- The 2020-21 budget builds on the outcomes of the review of the secretariat, including an **adjusted secretariat structure** (→ presentation, slides 16 and 32-45)

#### V. Feedback from briefing participants

##### General points

- The briefings were very well received overall
- They allowed participants to have a common understanding of how the budget has been constructed and provide a transparent basis for a constructive discussion among Parties
- Participants welcomed the initiative to present information well before the SBs in June
- There was broad support for building the budget from the ground up, i.e. not incrementally from 2018-19 as a base, but starting from a clean sheet, based on an analysis of mandates and decisions by Parties and secretariat activities resulting from these mandates

##### Specific points

- Organization of work and workstreams:
  - Need to understand better and in equal detail the activities of the secretariat under each proposed workstream and how they link to decisions by Parties
  - Need same level of clarity/detail for all divisions and how cross-cutting areas will connect divisions
  - Need to understand what work will be stopped/started/changed. Some activities may be phased out while others must be phased in
  - Need to understand how to prioritize activities if cuts need to be made
  - Need to understand better the impact of the completion of the Paris Agreement work programme on requirements for secretariat support to negotiations; will there be a decrease in need for support to negotiations? (e.g. in relation to document support)

- Interest in more detail on how the secretariat is rationalizing the budget to avoid duplication, and how the adjusted secretariat structure will lead to efficiency gains/streamlining of work
- Budget allocations:
  - Need to ensure adequacy of funding across different workstreams commensurate with their scope
  - Interest in seeing/understanding appropriation lines, details of the increase vs. the current budget and implications arising specifically from COP 24 decisions
  - Need for clear explanations of what the proposed increases are, what work areas they relate to and what they are funding (staff, missions, workshops?)
  - Expectation that the core budget should be for core activities; need to see a more detailed breakdown of how core funding is being allocated
  - Need to see the zero nominal growth scenario
  - Need for common understanding on earmarking of supplementary funding
  - Concern that lack of funding and cash flow problems may impact operations of the secretariat
  - Need to clarify how the current structure of trust funds compares to what is envisaged under the new approach in relation to the Convention, the KP and the PA
  - Need to see clearly how funds are allocated to specific activities, and how much of the proposed increase relates to work under the Paris Agreement
- Role of the UNFCCC and UN context:
  - Interest in a strong role of UNFCCC as the central forum for driving the intergovernmental response to climate change and for the secretariat as the core support structure for that process
  - Common understanding that the secretariat is not an implementing agency; however, secretariat has a role to play in supporting the Convention process and convening those involved in implementation
  - Understanding that secretariat should support efforts to achieve the objective of the Convention in the context of the SDGs and help avoid duplication/ensure coordination between the activities of the UNFCCC secretariat and other UN entities
  - Interest in better understanding the role of the secretariat in supporting the global stocktake

## VI. Technical questions and answers provided at the briefings

- **QUESTION:** What is the reason for the significant fluctuation in requirements for funding participation from biennium to biennium, as shown in slide 10? What are the criteria for funding participation?

**ANSWER:** The variances are due to the number of meetings held, for example in 2018 an additional meeting was held in Bangkok. The criteria were presented at a technical workshop on discuss ways to increase the efficiency and transparency of the UNFCCC budget process, held during SBI 47 and can be found [here](#).

- **QUESTION:** Why are figures in slides 9 and 10 in USD whereas they are provided in EUR in the other slides?

**ANSWER:** The core budget is in EUR, as mandated by COP decision 12/CP.15 in order to manage the effect of exchange rate fluctuations on the core budget. The trust funds for supplementary activities and for participation are in USD.

- **QUESTION:** Can you clarify the figure of 207 staff on slide 23 (“Current estimate of total 2020–2021 budgetary needs (by funding source)”)?

Does this mean that there would be an increase in core staffing compared with 2018–19? How does the figure compare to overall expected staffing levels in 2020–21?

**ANSWER:** The figure for the current biennium corresponding to the 207 staff indicated on slide 23 is 173.5. This would indicate that on the basis of current estimates the Executive Secretary would be proposing an increase in core staffing levels.

- **QUESTION:** Can you clarify the difference in the numbers provided in relation to total requirements for supplementary activities on slide 9 (USD 69.2 million) vs. slide 11 (EUR 53.5 million)?

**ANSWER:** The amounts for requirements under supplementary activities are provided in USD in slide 9 versus EUR in slide 11. In addition, the amount provided on slide 9 includes additional requirements resulting from decisions taken at COP 23 and COP 24 not reflected in slide 11.

- **QUESTION:** You referred to the new enhanced budget format – what are the main differences compared with the current format?

**ANSWER:** The details of the new enhanced budget format and reasons for making the changes are contained in documents FCCC/SBI/2018/INF.4, FCCC/SBI/2018/INF.4/ADD.1, and FCCC/SBI/2018/INF.17.

- **QUESTION:** Given the fact that negotiations related to Article 6 of the Paris Agreement were not concluded at COP 24, how will potential required support for this work in the biennium 2020–21 be reflected in the budget proposal?

**ANSWER:** In the current estimation of resource requirements the secretariat has assessed the implications of Parties adopting decisions on operationalizing Article 6 at COP 25. This assumption does not significantly impact core staffing requirements. If this work is not concluded at COP 25, the secretariat would have to support further negotiations. The required non-staff costs and the nature and purpose of supplementary funding would be more significantly impacted.

- **QUESTION:** The budget traditionally includes a work programme. Will the revised budget format also include a work programme and will there be any changes to the structure of the work programme?  
**ANSWER:** The work programme will be included in an addendum to the main budget proposal document. It will follow a results-based approach, as in past budget documents.
- **QUESTION:** Does the secretariat have a resource mobilization strategy?  
**ANSWER:** Starting in 2018, the secretariat has launched efforts to develop a resource mobilization strategy. These efforts will be further pursued in 2019, building on insights and recommendations from the review of the secretariat structure and operations undertaken in 2018.

Bonn, 08 March 2019

## Annex

### List of Participants to the Informal summary of initial budget briefings for Parties held on 18 and 20 February 2019 Bonn, Germany

#### **List of Participants - 18 February 2019**

Group of 77 and China (Palestine) – Mr. Majed Bamya  
Arab States (Saudi Arabia) – Mr. Ayman Shasly  
Least Developed Countries (Angola) – Ms. Carla Balça  
Alliance of Small Island States (Belize) – Mr. Carlos Fuller  
Like-Minded Developing Countries (Iran) – Mr. Majid Shafiepour Motlagh  
Coalition for Rainforest Nations (Congo) – Mr. Aimé Mbuyi Kalombo  
Argentina – Brazil – Uruguay – (Argentina) – Mr. Federico Hirsch

#### ***Remote participation:***

Independent Alliance of Latin America and the Caribbean (Jamaica) – Ms. Keisha Witter

#### **List of Participants - 20 February 2019**

Austria – Ms. Talieh Woegerbauer  
Belgium – Mr. Jozef Buys  
Belgium – Mr. Philippe Lefebure  
Belgium – Ms. Vicky Noens  
EU Commission – Mr. Jacob Werksman  
EU Commission – Mr. Niels Schuster  
EU Commission – Ms. Cristina Carreiras  
EU Commission – Ms. Elina Bardram  
EU Presidency - Ms. Bianca Moldovean  
EU Presidency – Ms. Ghita Luminita  
EU Presidency – Ms. Mihaela Kolle  
EU Presidency – MS. Mihaila Ramona Olivia  
Germany -Mr. Jan Willms

Italy – Mr. Alessandro Peru

Poland – Mr. Jakub Gibek

Romania – Mr. Cosmin Ghitulescu

Sweden - Ms. Johanna Lissinger Peitz

UK – Mr. Karl Mcalinden

Umbrella Group (Japan) – Mr. Yoshihiro Mizutani

Umbrella Group (Russian Federation) – Mr. Sergey Makarov

Umbrella Group (USA) – Mr. Erwin Rose

**Remote participation:**

Canada – Mr. Jean-Sébastien Fabry

Environmental Integrity Group (Mexico) – Mr. Andrea Hurtado

Environmental Integrity Group (Mexico) – Ms. Gisele Fernandez

Korea – Mr. Lee Chang hwan

Switzerland – Ms. Dina Spörri

Umbrella Group (Australia) – Mr. Russell Miles

Umbrella Group (Australia) – Mr. Peter Onorato

Umbrella Group (New Zealand) – Ms. Stephanie Lee